

# United States Senate

COMMITTEE ON COMMERCE, SCIENCE,  
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEB SITE: <http://commerce.senate.gov>

DANIEL K. INOUE, HAWAII  
JOHN F. KERRY, MASSACHUSETTS  
BYRON L. DORGAN, NORTH DAKOTA  
BARBARA BOXER, CALIFORNIA  
BILL NELSON, FLORIDA  
MARIA CANTWELL, WASHINGTON  
FRANK R. LAUTENBERG, NEW JERSEY  
MARK PRYOR, ARKANSAS  
CLAIRE McCASKILL, MISSOURI  
AMY KLOBUCHAR, MINNESOTA  
TOM UDALL, NEW MEXICO  
MARK WARNER, VIRGINIA  
MARK BEGICH, ALASKA

KAY BAILEY HUTCHISON, TEXAS  
OLYMPIA J. SNOWE, MAINE  
JOHN ENSIGN, NEVADA  
JIM DEMINT, SOUTH CAROLINA  
JOHN THUNE, SOUTH DAKOTA  
ROGER F. WICKER, MISSISSIPPI  
JOHNNY ISAKSON, GEORGIA  
DAVID VITTER, LOUISIANA  
SAM BROWNBACK, KANSAS  
MEL MARTINEZ, FLORIDA  
MIKE JOHANNIS, NEBRASKA

ELLEN DONESKI, CHIEF OF STAFF  
CHRISTINE KURTH, REPUBLICAN STAFF DIRECTOR AND GENERAL COUNSEL

**1875**

December 10, 2010

The Honorable Julius Genachowski  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Chairman Genachowski:

I write to express my concerns with the proposed merger of Comcast Corporation and NBC Universal, Inc., which is presently under review by the Federal Communications Commission.

As you know, this transaction will combine the nation's largest distributor of video programming and largest provider of residential broadband service with one of the nation's largest producers of video content. Simply put, a merger of this magnitude has the power to reshape the media landscape. It can change the way we communicate, change the way we share news and information, and change the nature of video entertainment. Consequently, it is vitally important that the Commission studies the transaction carefully to make certain that the combination furthers the essential values of diversity, localism, and competition that have long informed our communications policy.

It is also important that the Commission consider the many issues that stakeholders have raised regarding this merger. These include the impact of this proposed combination on program access and the challenges it poses for program carriage of independent channels.

Fundamentally, however, I worry that a media merger of this size has the potential to leave consumers with lesser programming and higher rates.

With respect to programming, I fear that too much of our news and entertainment is in an ugly race to the bottom. Here, I worry that when companies swell to include both content and distribution, the incentives to support quality programming are diminished. As result, I was pleased to see that Comcast and NBC have committed to preserve and enrich the production of local news, public affairs, and other public interest programming. In addition, I appreciate the willingness of Comcast and NBC to develop

additional opportunities to provide children's programming on its multiple video platforms. But I ask that the Commission scrutinize these commitments and make sure they are truly meaningful. I know that companies can make such commitments in their hour of regulatory review but often fail to live up to them in the days that follow.

Furthermore, looking ahead to the evolution of programming, this transaction has the potential to hamper development of the emerging online video market. If this merger proceeds, video programming and broadband distribution will be combined to an unprecedented degree. With this level of integration comes the capacity of a combined Comcast and NBC to favor its own content by degrading or blocking online distribution of programming by competitors. As a result, the Commission should carefully review the potential for these harms and, consistent with policies promoting an open Internet, protect consumer choice in the burgeoning online video market.

With respect to rates, I worry that the cost of cable service is growing too high too fast. By the Commission's own measure, since 1995 the price of expanded basic cable service has grown at three times the rate of inflation. I have expressed concern about this elsewhere, as well as a desire to see smaller programming packages that better reflect the channels consumers want to watch.

I fear that the combination of content and distribution in this transaction will provide Comcast and NBC with added incentive and ability to engage in practices that can diminish competition and raise rates for consumers. If this merger proceeds, Comcast and NBC will have a large portfolio of desirable content and channels, which they can use to raise the input costs of other video programming distributors. This, in turn, can translate into higher rates for consumers. I note also that Comcast and NBC have not made any specific commitments regarding consumer rates. Accordingly, I ask that the Commission also scrutinize this situation carefully. It would be unacceptable for a transaction like this to lead to further consumer cable rate increases.

I appreciate your timely consideration of the issues I have raised above.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "John D. Rockefeller IV", with a stylized, flowing script.

John D. Rockefeller IV  
Chairman



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

December 14, 2010

The Honorable John D. Rockefeller IV  
Chairman  
Committee on Commerce, Science, and Transportation  
United States Senate  
254 Russell Senate Office Building  
Washington, D.C. 20510

Dear Chairman Rockefeller:

Thank you for your letter regarding the Commission's review of the proposed joint venture between Comcast Corporation and the General Electric Company subsidiary, NBC Universal, Inc. (NBCU). I appreciate hearing from you on this important transaction. We will make your correspondence part of the record in the proceeding.

The Commission is conducting a careful evaluation of all relevant issues in the proposed Comcast-GE transaction, including the impact that the proposed transaction may have on competition, consumers, and the distribution of content in the communications industry. The Commission staff currently is reviewing the extensive record compiled in the proceeding, and working through the complex issues it raises. Please be assured that the issues discussed in your letter will be considered carefully as part of the Commission's independent review of the proposed Comcast-GE transaction.

I appreciate your interest in this important matter. Please do not hesitate to contact me if I may be of further assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "Julius Genachowski", is written over the word "Sincerely,". The signature is fluid and cursive, with a long horizontal stroke at the end.

Julius Genachowski